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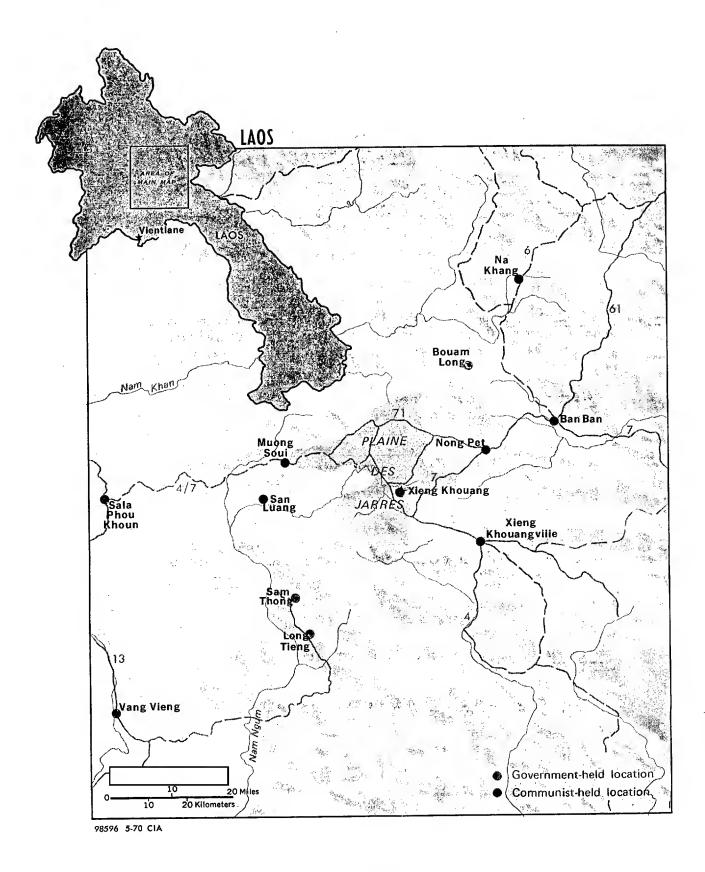
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Laos: Time is running against the Communists at Long Tieng, but a new push against this government stronghold cannot be ruled out.

In recent weeks General Vang Pao's guerrillas have secured Long Tieng Valley from all but minor enemy harassment, and substantial numbers of civilians have begun returning to the area. For the most part, North Vietnamese troops have been reacting to, rather than initiating, ground actions. In addition, the Communists' extended supply lines into the Long Tieng area are vulnerable to ground harassment, and heavy rains are only a few weeks away.

The threat against Vang Pao is still considerable, however. The recent Communist seizure of several government positions within rocket range of Long Tieng demonstrates that the enemy still retains an offensive capability. In addition, the upsurge in Communist military activity in south Laos has caused Vang Pao to send some 1,500 men there, and his positions in the Long Tieng area remain vulnerable to sapper attacks.

If Vang Pao succeeds in clearing the area south of the Plaine, he can sit tight for the rainy season, consolidate his hold around Long Tieng, and give his troops a much-needed respite. Such a course could conceivably return the fighting in the north to the pre-1969 ground rules, when the Plaine was more or less a Communist sanctuary, but the Communists refrained from driving toward Long Tieng and the Meo heartland.

This course runs the risk, however, of allowing the Communists to maintain forward positions on the Plaine from which they could mount a fresh offensive toward Long Tieng in the fall.

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South Vietnam - Cambodia: An enemy defector has confirmed the northward movement of important elements of COSVN to a site some 20 miles north of Tay Ninh Province.

A shift of high-level staff personnel reportedly began on 11 May when the Communists received a seven-hour advance warning of a B-52 strike on their permanent base camp. This camp was less than five miles north of the border. A ground sweep after the B-52 raid found more than 150 persons killed by the bombing.

The defector,	25X1
also provided	
details about the COSVN unit that was forewarned on	
11 May. He stated that it consisted of 12 staff	
sections of 10-30 persons each, supported by a rear	
services group and a security battalion, totaling	
about 1,000 persons.	25X1

Japan: The government this week will announce its intention to raise the level of Japanese "foreign aid" to one percent of gross national product (GNP) by 1975.

Tokyo, under increasing pressure because of its large balance-of-payments surpluses, is moving to adopt the recommendation of the Pearson commission of the World Bank. This counsels developed nations to commit to less developed countries an outflow of private and public capital resources equal to one percent of GNP. Tokyo's announcement probably will be made either at the Ministerial Conference of the Organization for Economic Cooperation and Development or at the Southeast Asia Development Ministers Conference.

Japan should have little difficulty in achieving the target because its total outflow reached three quarters of one percent last year. Only one third, however, was official aid. The remainder was private investments and commercial credits mainly geared to expanding Japan's exports and developing new sources of raw materials.

The Pearson report recommends that official aid constitute 70 percent of the total. On this count Tokyo probably will go no further than to note its expectation that the official portion will rise in the future.

Bolivia: The forced resignation of radical leftist Minister of Energy Quiroga probably has tipped the balance of power in favor of moderates in the cabinet.

The armed forces have been pressing President Ovando to remove Quiroga, Minister of Information Bailey, and other leftist cabinet members the military believe are responsible for the government's drift to the left. Quiroga and Bailey had been shorn of some of their powers and were given reduced portfolios in the new cabinet named last week after its predecessor resigned.

Faced with what he probably considered an attempt to isolate him and reduce his authority, Quiroga submitted his "irrevocable resignation" on 18 May. His departure has further strengthened the position of the moderate Minister of Interior Ayoroa, and may temporarily calm the fears of the military.

It is still not clear what role, if any, Ovando played in the events of the last few days, but he has gained more time to solidify his support further. Ovando probably will still be able to keep open his contacts with the left through Bailey as a hedge against possible difficulties with the armed forces.

Volatile student and labor groups have so far remained generally passive about Quiroga's departure. These groups could easily be aroused, however, if Quiroga decides to test public support of the administration. Military activity remains normal and there are no indications that military units in La Paz have been placed on alert. The military leaders will probably continue to pressure Ovando to dump the remaining cabinet extremists.

NOTES

USSR-Romania: Soviet and Romanian leaders who met in Moscow for private talks on 18 and 19 May apparently made little progress toward resolving outstanding differences. Brief press accounts did not indicate the specific issues that the two sides, led by party leaders Brezhnev and Ceausescu, discussed, but they apparently covered a broad range of party and state issues. The presence of leading party ideologues in both delegations indicates that ideological differences -- presumably centering on Romania's prediliction for nationalism--also may have figured high in the talks. A TASS announcement said only that the two sides would "strive" to strengthen bilateral relations, suggesting the Romanians gave little ground before departing yesterday.

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Dominican Republic: President Balaguer's reelection victory has been buttressed by overwhelming congressional and municipal majorities. Nearly
complete returns give Balaguer 56 percent of the
vote, with his supporters controlling 26 of 27
Senate seats, 60 of 74 seats in the Chamber of Deputies, and 75 of the 77 mayoralities. His opponents have predictably charged fraud and are
threatening to "retaliate," but their protests are
only for the record because they do not have the
political or military muscle to back their threats.
Moreover, observers from the OAS gave the elections
a clean bill of health.

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